

FCR 10

Office of the President
February 17, 2023

Members, Board of Trustees:

INTERNAL LOAN ENTERPRISE FIREWALL AGREEMENT

Recommendation: that the Board of Trustees approve an internal loan to fund a portion of a five-year enterprise firewall agreement.

Background: Pursuant to the university's Internal Loan Program Policy, any internal loan for capital purposes greater than \$1,000,000 must be approved by the Board.

As cybersecurity threats continue to evolve and become more sophisticated, the need to maintain existing firewall infrastructure is critical for the university. Since 2018, University of Kentucky Information Technology Services has been working to upgrade and standardize the enterprise's platform for network firewalls in an effort to ensure the protection of university data and systems. This initiative has led to the acquisition of several firewall appliances that have been implemented to provide critical security capabilities for the overall university as well as for specific departments and units including University of Kentucky HealthCare.

The total cost of the five-year enterprise agreement will not exceed \$8,204,208.34 and will be funded with agency funds, including an internal loan not to exceed \$4,020,062. The cost will be split 51% University of Kentucky HealthCare and 49% University of Kentucky Information Technology Services where University of Kentucky HealthCare is funding its portion upfront and the portion belonging to University of Kentucky Information Technology Services will be funded through the internal loan. In accordance with the university's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved this internal loan request.

Action taken: Approved Disapproved Other _____